

12 May 2010  
The Manager  
ASX Announcements

Dear Sir,

**PACE Grant**  
**Eurilla Iron Ore and Uranium**  
**Northeastern Eyre Peninsula (Wilcherry Region), South Australia**

Lincoln Minerals Limited (ASX Code: LML) is pleased to advise that a PACE grant has been awarded to the Company by the South Australian Government for proposed diamond core drilling on the Company's 100%-owned Eurilla Project, EL 3690 (formerly known as Wilcherry Project) on northeastern Eyre Peninsula.

The drilling program has been approved for funding to the level of **\$75,000** as part of the South Australian Government's Plan for Accelerating Exploration (PACE) Initiative under Theme 2 – Drilling Collaboration between PIRSA and Industry. As only 23 projects from 63 proposals were successful, the Company regards the Grant as an endorsement by PIRSA of its exploration strategy in this region.



Lincoln is planning to commence aircore and slim hole reverse circulation (RC) drilling on its Jungle Dam uranium deposit and Eurilla South and Jungle Dam iron ore targets in June 2010 with follow-up diamond core drilling scheduled for July 2010.

**Further inquiries:**

**Dr John Parker**

**Managing Director, Lincoln Minerals Limited**

**Mob: 0412 517 323 Tel: (08) 8274 0243**

*Information in this report that relates to exploration activity and results was compiled by Dr A J Parker who is a Member of the Australasian Institute of Geoscientists. Dr Parker is Managing Director of Lincoln Minerals Limited and has sufficient experience relevant to the styles of mineralisation and to the activities which are being reported to qualify as a Competent Person as defined by the JORC code, 2004. Dr Parker consents to the release of the information compiled in this report in the form and context in which it appears.*

*It is emphasized that exploration target tonnage estimates given in this report are entirely conceptual in nature. There has been insufficient drilling in the immediate areas of these targets and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

## Eurilla Project Background

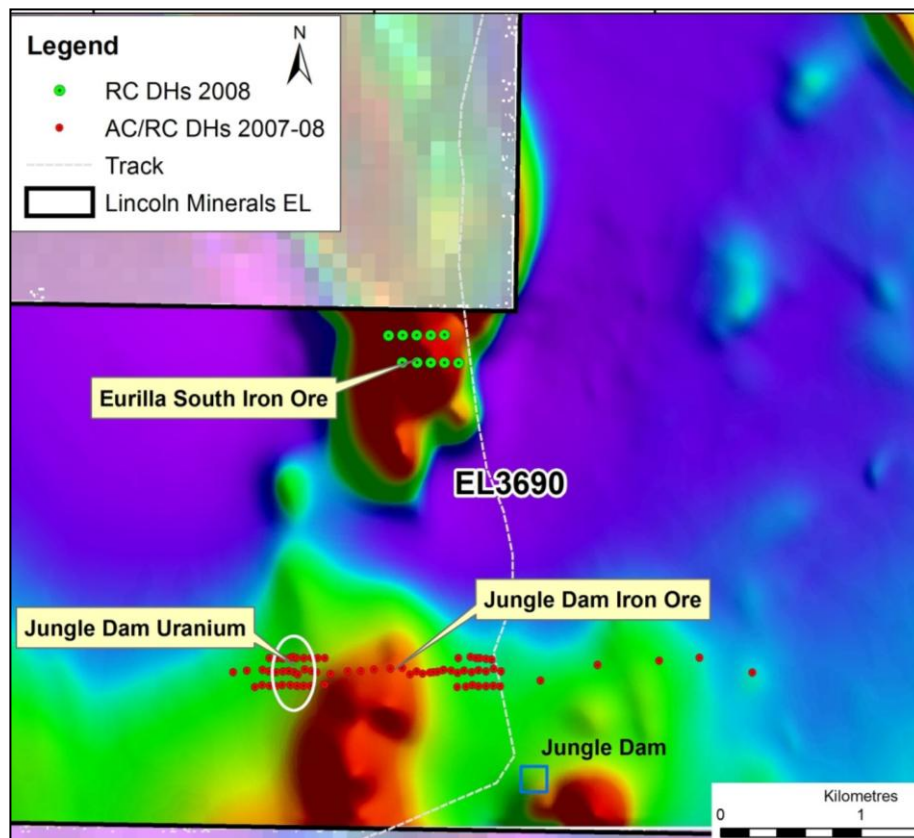
Lincoln Minerals' Eurilla Project (formerly known as Wilcherry Project) is located on northeastern Eyre Peninsula 40km northeast of Kimba.

The project is within the southern Gawler Craton, a world-class mineral belt that hosts Olympic Dam, Prominent Hill, the Middleback Ranges and numerous uranium and iron ore prospects. It is historically one of world's major iron ore provinces.

The Eurilla Project area is along strike from the Wilcherry Hill iron ore, Weednanna gold, Hercules iron ore and Menninnie Dam zinc-lead-silver deposits to the northwest and has potential for iron ore, uranium, gold, manganese and/or base metal mineralisation possibly with associated hydrothermal iron oxide and/or sericite alteration.

The *in situ* iron ore Inferred Resource outlined for that part of the Eurilla target within Lincoln's EL 3690, is 21.7 million tonnes (Mt) @ 33.3% Fe. Based on a 1.6km strike length of high intensity aeromagnetic anomalies, Lincoln considers the combined exploration target for the Eurilla South and Jungle Dam prospects is 50-100 Mt @ 30-35% Fe with potential for a small amount of direct shipping iron ore (DSO).

In addition to iron ore, Lincoln has also identified a 5 hectare zone of uranium mineralisation approximately 200m wide and at least 200m long open both to the north and south along strike. Drilling results to date include intervals grading up to 0.07% U accompanied by up to 0.5% base metal (Zn+Pb+Ni+Cu+Co) in a weathered zone overlying pyritic and graphitic units of the Middleback Subgroup.



*Location of Eurilla South and Jungle Dam prospects in relation to total aeromagnetic intensity anomalies, EL 3690*